



State of Utah

Department of Environmental Quality

Dianne R. Nielson, Ph.D.
Executive Director

DIVISION OF DRINKING WATER
Kevin W. Brown, P.E.
Director

Drinking Water Board
Anne Erickson, Ed.D., *Chair*
Myron Bateman, *Vice-Chair*
Ken Bassett
Daniel Fleming
Jay Franson, P.E.
Helen Graber, Ph.D.
Paul Hansen, P.E.
Laurie McNeill, Ph.D.
Dianne R. Nielson, Ph.D.
Petra Rust
Ron Thompson
Kevin W. Brown, P.E.
Executive Secretary

JON M. HUNTSMAN, JR.
Governor

GARY HERBERT
Lieutenant Governor

MINUTES OF THE DRINKING WATER BOARD MEETING HELD ON JULY 14, 2006 IN SALT LAKE CITY, UTAH

Board Members Present

Anne Erickson, Chairman
Myron Bateman, Vice Chairman
Ken Bassett
Daniel Fleming
Jay Franson, P.E.
Helen Graber, Ph.D.
Paul Hansen, P.E.
Laurie McNeill, Ph.D.
Dianne Nielson, Ph.D.
Petra Rust
Ron Thompson

Staff

Ken Wilde
Rich Peterson
Karin Tatum
Bill Birkes
Carolyn Esser
Heather Bobb

Guests

Doug Nielsen, Sunrise Engineering
Dale Pierson, Rural Water Association
Donald Champenois, Black & Veatch
Joe Phillips, Sunrise Engineering
Jason Snedaker, J-U-B Engineering
Michael Johnson, Mayor, Millville City
Paul Taylor, J-U-B Engineering
Howard Anderson, Mayor, Cedar Fort Town
Dee Hansen, Cedar Fort Town
Donna Spangler, DEQ Administration
Bill Craig, Division of Radiation Control
Patricia Adams, Division of Radiation Control

Staff Continued

Sandy Pett
Julie Cobleigh
Don Lore
Elden Olsen
Linda Matulich

ITEM 1 – CALL TO ORDER

The Drinking Water Board convened in Salt Lake City, Utah with Chairman Erickson presiding. The meeting was called to order at 1:05 p.m.

Chairman Erickson introduced Bill Craig, with the Division of Radiation Control.

Bill Craig briefed the Board on the new sound system. Bill passed out a contact name to the one's that were interested in it. Bill has been on a committee reviewing different systems for meetings that are held in Room 101.

ITEM 2 – ROLL CALL

Chairman Erickson asked Ken Wilde to call roll of the Board members. The roll call showed there were 11 members present at the time.

ITEM 3 – INTRODUCTIONS

Chairman Erickson welcomed everyone and asked the guests to introduce themselves.

ITEM 4 – MINUTES OF MAY 11, 2006

Chairman Erickson stated a motion to approve the Dugway Proving Ground Tour minutes and the May 11, 2006 Drinking Water Board meeting minutes would be in order.

1. Tour of Dugway Proving Ground Minutes – For Review

**Daniel Fleming moved to approve the Dugway Proving Ground Minutes.
Paul Hansen seconded.**

**CARRIED
(Unanimous)**

2. May 11, 2006 Board Meeting Minutes – For Approval

**Paul Hansen moved to approve the May 11, 2006 minutes.
Laurie McNeill seconded.**

**CARRIED
(Unanimous)**

ITEM 5 – SRF/CONSERVATION COMMITTEE REPORT

1) Status Report – Ken Wilde

Ken Wilde reported the Board has \$4,766,233 in Principal funds and \$801,425 in the Hardship Grant funds for a total of: \$5,567,658. The Board has: FY 2006 has sales tax of: \$3,587,000, project repayments from May 1, 2006 through April 30, 2007 in principal payments of: \$2,261,588, and interest of: \$539,206, investment earnings of: \$300,000, and FY 2007 sales tax of: \$3,587,500. This brings the State Loan Funds program to: \$12,255,952. The second page shows the status of the authorized projects that have not been funded yet. Garden City closed their Bond, anticipation note, (Design Advance of: \$254,000).

Ken Wilde reported the Board has an estimated amount of: \$8,531,541 in the Federal SRF Fund. This amount is available to use until May 31, 2007. The Board has a total of: \$20,931,781 in loans that have been closed on projects currently under construction.

Ken Wilde mentioned staff is hoping to close Garden City, the Town of Millville and the Town of Snowville's loans soon. Ken said Pine Meadow has closed their loan.

2) State SRF Applications – Rich Peterson

a) Gunlock Special Service District

Rich Peterson reported the Board gave some federal emergency money to Gunlock Special Service District last year for damages caused by flooding. Gunlock Special Service District has a project consisting of a 200,000 gallon storage tank and replacing some transmission and distribution lines. Gunlock Special Service District has some money remaining in their escrow emergency account to go to the project. Gunlock Special Service District has \$112,000 in their contribution fund account, and a CDBG grant of \$150,000 for the project. Gunlock Special Service District does qualify for some grant money. The SRF Conservation Committee is recommending a grant of \$86,000 which is equivalent of a 25% grant and a loan of \$263,000 at 3.33% for 20 years. Rich reviewed some of the issues that are still on their compliance report.

Ken Wilde mentioned he received a call from Gunlock Special Service District's Chairwoman and one from a Board member expressing a concern they weren't able to have any one from their Board at the Drinking Water Board meeting. Ken excused them.

Dan Nielsen and Joe Phillips, Sunrise Engineering, representing Gunlock Special Service District, addressed the Board.

Discussion followed.

Ron Thompson moved the Board authorize a grant of \$86,000 and a loan of \$263,000 at 3.33% for 20 years with the conditions that they resolve the appropriate issues on their compliance report, and asked the engineers to go back and review the storage capacity.

Jay Franson seconded.

**CARRIED
(Unanimous)**

b) Millville City

Rich Peterson reported at the March 3, 2006 Board meeting, that the Board authorized a \$1,526,000 loan to Millville City for a new tank, transmission lines and a booster pump. Millville City's request came in over budget. Millville City is requesting an additional \$357,000 to complete the project. Millville City does qualify for a grant. The SRF Committee's recommendation is that the Board authorize a \$178,000 grant and an additional loan of \$179,000 with the same terms authorized at the March 3, 2006 Board meeting. This would bring the loan total to \$1,741,000. The interest rate would be for 2.23%. The term of the loan is for 25 years.

Michael Johnson, Mayor, and Jason Snedaker, J-U-B Engineering, representing Millville City, addressed the Board.

Discussion followed.

Paul Hansen moved the Board authorize a grant of \$178,000 and a loan of \$179,000 for a total of \$1,741,000 on their loan, with the same terms for 25 years at 2.23% that was authorized at the March 3, 2006 Board meeting.

Daniel Fleming seconded.

**CARRIED
(Unanimous)**

c) Cedar Fort (Staff Recommendation)

Rich Peterson reported Cedar Fort has a new well. Cedar Fort needs to run a pipeline from the wellhead to the existing water tank. The cost of the project is \$567,000. Cedar Fort has \$10,000 of their own money to contribute and some money from CDBG to go toward the project. The District needs \$407,000 to complete the project. A supplemental page for Cedar Fort is in the handouts for the Board members. Cedar Fort received a 1992 Bond, at 0% from the Board.

Cedar Fort would like to refinance the Bond and roll the loan into a direct funding package. By refinancing and consolidating the loan in the current funding package, the interest rate would be at 2.38% for over 20 years. The SRF Conservation Committee is recommending a loan of \$506,000 at 2.38% for 20 years. Approximately \$99,000 of the loan, would go toward retiring the existing 1992 Bond. Also included in the motion, is a request for the Board to allow a modified repayment schedule, which may be accepted, and for staff to finalize the schedule prior to loan closing. Also include in the funding package, is that the town resolve the appropriate issues in their compliance report.

Mayor Howard Anderson and Dee Hansen, engineer, representing Cedar Fort Town, addressed the Board.

Discussion followed.

Jay Thompson moved the Board authorize a loan of \$506,000, of which approximately \$99,000 will go toward retirement of the existing 12992 Bond, at 2.38% for 20 years, allow a modified repayment schedule to be determined later and approved by staff, and that Cedar Fort Town resolve the appropriate issues in their compliance report.

Petra Rust seconded.

**CARRIED
(Unanimous)**

3) Federal SRF Applications – Karin Tatum

a) Loan Authorization Extensions

Karin Tatum gave an update on some of the extension requests on the authorized federal projects. The information is on the first page of material listed in the Board packet. Staff will be able to close the Town of Snowville next week. Staff has completed the EA on Woodland/Kolob, and plans on closing their project in the next 6 months. Staff met with Logan City last week and has temporarily set their loan closing for February/March 2007. Portage is scheduled to close their loan in September.

Enterprise has an emergency funding request for approximately \$15,000. Enterprise has gone through some staff changes recently, and the new person was not aware of this. The new person will get back with staff after reviewing the information on this request.

Karin said staff is requesting the Board authorize an extension of the authorized projects.

Ron Thompson moved the Board authorize staff to proceed with the extensions on the FSRF projects.

Ken Bassett seconded.

CARRIED

Dianne Nielson supports the motion, but abstained from voting.

Discussion followed.

Ten voted yes.

b) Snowville Town

Ken Wilde mentioned staff is requesting the Board table the Town of Snowville's request. The Town of Snowville has a loan with the Drinking Water Board and one with Rural Development. Staff talked to Bill Prater, attorney, and Rural Development's attorney on using a "parity position" for the Town of Snowville. Staff is requesting a "parity position" for the Town of Snowville. The attorneys will complete the paperwork and submit it for approval. Staff will close the Town of Snowville's loan when the paperwork has been approved.

Ken mentioned staff has the authority to act on this request now, which staff wouldn't have if these issues were present. Ken mentioned the Board doesn't need to take any action on the Town of Snowville today. Ken presented the Town of Snowville's update for informational purposes only.

ITEM 6 – OPERATOR CERTIFICATION COMMISSION RENEWALS

Ken Wilde mentioned there are two members on the Operator Certification Commission whose terms are up for renewal. Staff is requesting the Board authorize approval for Bart Simons and Dr. David Stevens to serve another term on the Operator Certification Commission. Each term is for 3 years.

Discussion followed.

Jay Franson moved the Board authorize approval for Bart Simons and Dr. David Stevens to serve another term on the Operator Certification Commission.

Myron Bateman seconded.

**CARRIED
(Unanimous)**

ITEM 7 – CROSS CONNECTION CONTROL COMMISSION RENEWALS

Ken Wilde mentioned the Cross Connection Control Commission is replacing Ken Orton with Charles Jeffs on the Commission. Ken Orton is no longer with the Rural Water Association of Utah. Staff is requesting the Board authorize approval for Charles Jeffs to replace Ken Orton, and authorize approval for Dan Smith, Gary Jenkins, Tim Collings, and Jeff Tingey to serve another term on the Cross Connection Control Commission. Each term is for 2 years.

Discussion followed on term limits for each Commission member on having a complete date of when they start and when they finish their terms on the Commission.

The Board asked staff to add another column on both rosters to include the date of when each member started.

The Board asked staff to add the 4 Commission members whose terms expire this year of: Dan Smith, Gary Jenkins, Tim Collings, and Boyd Reschke's, or their replacement, to be heard and approved at the next Board meeting.

Jay Franson moved the Board authorize approval for Charles Jeffs to replace Ken Orton on the Cross Connection Control Commission.

Myron Bateman seconded.

**CARRIED
(Unanimous)**

ITEM 8 – CHAIRMAN'S REPORT

Chairman Erickson mentioned there are a couple of articles in the packet on: "Utah Rates High in Plans for Handling an Emergency" and "Being in the Wake of Our Own Disaster". Chairman Erickson briefly went over each article.

ITEM 9 – DIRECTORS REPORT

a) Introduce New Staff: Heather Bobb, Carolyn Esser, Elden Olsen, and Julie Cobleigh

Ken Wilde introduced new division staff members to the Board: Heather Bobb, Carolyn Esser, Elden Olsen, and Julie Cobleigh. Ken gave some information on each new staff member.

Chairman Erickson welcomed the new staff members to the Division.

b) Staff Update

Ken Wilde mentioned that Merritt Fisher and Nathan Lunstad, engineers for the Division, have left the state employment. Merritt Fisher had a little girl and decided to stay home. Nathan Lunstad is working as an engineer for Highland City.

Ken said he is in the process of recruiting for two new engineers.

Ken mentioned staff has provided some handouts to the Board members. There is some information on arsenic. Staff has received reports from all but 4 of the water systems on their arsenic updates.

Chairman Erickson mentioned how nice it is to be furnished with periodic news articles, updates and letters in the packet.

ITEM 10 – NEWS ARTICLES

The new articles are in the packet.

ITEM 11 – LETTERS

The letters are in the packet.

ITEM 12 – UPDATE

The update is in the packet.

ITEM 13 – NEXT BOARD MEETING: September 8, 2006

The next Board meeting is scheduled for September 8, 2006 at the DEQ offices at 168 North 1950 West, Room 101, Salt Lake City, Utah. There will be a work meeting in the morning, lunch and the Board meeting will start at 1:00 p.m.

ITEM 14 – OTHER

Myron Bateman may not be able to attend the next Board meeting on September 8, 2006. Myron may need to have another SRF Conservation Committee member fill in for him if he is unable to attend.

Dale Pierson mentioned the Rural Water Association of Utah is putting together a program to provide a peer review process to water systems in the state for their security efforts on emergency preparedness. The Division is involved in this program with Rural Water. Dale updated the Board on the program. The Rural Water Association has also been working with the of Drinking Water and the Division of Water Quality, the Homeland Association, and some of the other water systems in the state are represented in a group that is looking at mutual aid agreements between the systems. Dale briefed the Board on this program.

ITEM 15 – ADJOURN

**Ron Thompson moved to adjourn the Board meeting at 2:05 p.m.
Myron Bateman seconded.**

**CARRIED
(Unanimous)**

Linda Matulich
Recording Secretary